

Report from Rio by Lorenzo Carrasco

A Crown over Brazil

Is the British Crown preparing to abandon South Africa for a new strategic minerals reserve in Brazil?

The radical stance of Queen Elizabeth II against the South African government hardly stems from some hidden sense of moral compassion for the South African black majorities. The demand to economically punish South Africa, driving both the black and white populations of that country into economic chaos and destruction, comes straight from Moscow, as part of the "New Yalta" deal to leave the mineral-rich region to the Russian Empire, while the British oligarchy turns to South America as a substitute source of strategic minerals.

This, at any rate, appears to be the role assigned to resource-rich Brazil by the international financial oligarchs who struck the deal with the Russians.

The arrogant British oligarchy, as usual, has not bothered to hide its designs. The London *Times* carried an article last October by Patrick Knight which covetously described Brazil as having 11 of the 15 strategic minerals of which South Africa has long been the principal supplier to the Western world. "At the very moment in which the mining companies and their governments seem to be concerned with the security of their production flows from South Africa, no country is in a situation to emerge more favorably than Brazil," wrote Knight.

The major mining companies during the past few years have begun to migrate toward the Brazilian mineral zones, quietly appropriating production of several of these strategic minerals. Among the companies which

have been increasing their investments in Brazil are British Petroleum, Rio Tinto Zinc, Anglo-American, Union Minière of Belgium, Billiton Metals of Shell, the Bronfman family-owned Brascan of Canada (which has just taken over Hanna Mining Co.), and many others.

With the intention of guaranteeing certain agreements with the "Brazilian partners," Britain's Princess Anne traveled to Brazil at the end of 1985 in a "strictly private" visit, on the pretext of attending a Royal Ballet performance. With her position as international president of the Save the Children Fund, the British Foreign Office perhaps hoped to give a philanthropic touch to the Princess's trip through a planned visit to one of the largest slums of Rio de Janeiro. This was frustrated by a kidnap threat against the Princess from a militant group inhabiting the slum.

In reality, her trip was organized by several of the Brazilian families who maintain strictly personal relations with the British royal family, namely: the Pedro Conde family, owners of the Banco de Crédito Nacional, the Brazilian affiliate of Barclay's Bank; the Olavo Monteiro de Carvalho family, one of the leading stockholders of British Petroleum Mineração, which is heavily involved in gold production and whose new offices were inaugurated by Anne upon her arrival in Rio de Janeiro; the Roberto Marinho family, owner of the *O Globo* media empire and also partner

of British Petroleum Mineração; the Hans Stern family, owners of Stern Jewelers, which deals with 80% of Brazil's production of precious stones.

According to charges made by the legal adviser of the state company Vale do Rio Doce, Alfredo Ruy Barbosa, Anglo-American—in a single stroke—took over the entirety of Brazil's industrial production of gold, the country's second-largest mine of niobium, 70% of Brazil's nickel production, the major producer of ferronickel, the major producer of tungsten ore, and a company with an annual production of 500,000 tons of phosphates for the fertilizer industry. What Anglo-American did was buy up the company Brasimet, which belongs to the Hochschild group headquartered in Panama, a deal carried out outside of Brazil and therefore with a minimum of state intervention.

According to Dr. Ruy Barbosa, Anglo-American has sought to diversify its operations and raw materials sources as the political problems of South Africa intensified. The same can be said for such companies as Société Minière Métallurgique de Peñarroya of France (silver); Unión Minière of Belgium (diamonds); Union Carbide (tungsten); Union Oil (niobium); Saint Gobain-Point à Musson of France (asbestos); British Petroleum and Canada's Brascan (tin); and National Lead Industries of the U.S. (barium oxide).

But if foreign control of Brazil's mineral sector is large, it could still increase enormously if authorization is given to the entry of foreign capital into Brazil's stock markets, and if taxes on profit remissions abroad are reduced. This has been the demand of the City of London's banknote printer Thomas de la Rue, whose Rio de Janeiro offices were visited by Princess Anne, and the Swiss Chamber of Commerce, among others.